



NEWS RELEASE

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Wine Home Delivery Companies Settle Consumer Protection Lawsuit

The Los Angeles County District Attorney's Office and four other prosecutorial agencies announced today that Direct Wines, Inc., and Wine Awesomeness, LLC, have settled a consumer protection lawsuit alleging that the companies automatically renewed membership subscriptions in violation of state law.

In California, businesses must clearly and conspicuously disclose all automatic renewal charges and terms and get affirmative consent of those recurring charges from consumers. Prosecutors said the violations involved wines sold by Delaware-based Direct Wines, a wine club marketing company, and Wine Awesomeness, a South Carolina wine retailer, which allowed people to subscribe to wine bottle home deliveries.

The Los Angeles, San Diego, Santa Clara and Santa Cruz county district attorney's offices and the Santa Monica City Attorney filed lawsuits against Direct Wines and Wine Awesomeness in Los Angeles County Superior Court. On February 14, Judge Maureen Duffy-Lewis approved the settlement with Wine Awesomeness in case number 19STCV43732. On February 18, Judge Steven J. Kleinfeld approved the settlement with Direct Wines in case number 19STCV43987.

Under the terms of the settlement, Direct Wines and Wine Awesomeness have agreed to pay \$365,000 and change their sales practices. Additionally, the companies must:

- Clearly and conspicuously disclose its automatic-renewal terms;
- Charge a consumer's credit or debit card or account only when a consumer's consent has been obtained through a check-box, signature, express consent button or other substantially similar mechanism that must be selected to give consent, in compliance with the automatic renewal offer terms;
- Provide confirmation of the transaction after the contract is made;
- Provide a toll-free telephone number, email address, a postal address or another cost-effective, time, and easy-to-use mechanism for cancellation;

- Allow consumers who accept an automatic renew or continuous service to terminate the contract online; and
- All cancellations must be effective upon request.

The violations involving Direct Wines occurred between Sept. 1, 2013, and Sept. 27, 2017. Violations involving Wine Awesomeness occurred between Aug. 7, 2017, and June 20, 2018. The defendants did not admit wrongdoing in the stipulated judgments but worked cooperatively with prosecutors to amend their business practices to ensure compliance with the state's automatic renewal laws.

In 2015, the Los Angeles County District Attorney's Office formed the California Automatic Renewal Task Force (CART) with the San Diego, Santa Clara, and Santa Cruz district attorney's offices, and the Santa Monica City Attorney's Office.

The goal of CART is to address the automatic renewal issues that have troubled many consumers when they purchase goods and services online. CART finds that some businesses do not properly disclose to their customers that their subscriptions would be automatically renewed until canceled by the customers. Such deficient disclosure is not limited to a particular industry.

In addressing the disclosure issues in the California's wine industry, CART has joined forces with the California Department of Alcohol and Beverage Control to set forth automatic renewal disclosure guidelines for wine clubs.

Deputy District Attorneys Hoon Chun, Jessie McGrath and Duke Chau of the Consumer Protection Division prosecuted the case.

[About the Los Angeles County District Attorney's Office](#)

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.